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INTERNATIONAL OIL: THE INITIAL POSITIONS OF THE MAJOR OIL COMPANY OPERATING IN SAUDI ARABIA AND THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) ON THE PARTICIPATION ISSUE REMAIN FAR APART, AND NEGOTIATIONS ARE LIKELY TO CONTINUE FOR SOME TIME. THE COMPANY'S COUNTEROFFER TO OPEC'S DEMANDS FOR IMMEDIATE 20-PERCENT PARTICIPATION--INCREASING TO 51 PERCENT IN THE FUTURE--IN THE OPERATIONS OF WESTERN OIL COMPANIES WAS A 50/50 JOINT VENTURE FOR EXPLORATION AND DEVELOPMENT IN CURRENTLY NON-PRODUCING AREAS IN EXISTING CONCESSIONS. SAUDI PETROLEUM MINISTER YAMANI, NEGOTIATING FOR PERSIAN GULF MEMBERS OF OPEC, REJECTED THIS OFFER. HE TABLED A STATEMENT FROM KING FAYSAL, SUBSEQUENTLY RELEASED TO THE PRESS, CALLING FOR THE COMPANIES TO AGREE TO "EFFECTIVE PARTICIPATION" IN EXISTING OPERATIONS TO FORESTALL UNILATERAL ACTION BY HIS GOVERNMENT. THE KING RARELY LENDS HIS NAME TO SPECIFIC ISSUES PUBLICLY AND IT MAY HARDEN YAMANI'S POSITION. YAMANI IS NOW CONSULTING WITH OTHER GULF MEMBERS AND IT IS LIKELY THAT THE PARTICIPATION ISSUE WILL BE RETURNED TO THE OPEC FORUM NEAR THE END OF FEBRUARY.

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